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WHA/CAR - JOE TILGHMAN WHITE HOUSE - DAN FISK TREASURY - SARA GRAY DEPT PASS TO USTR

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SUBJECT: JAMAICA: CRIME, CORRUPTION, AND ECONOMY PRINCIPAL THEMES, CUBA AN UNEXPECTED AREA OF INTEREST, DURING VISIT BY DAS MADISON

REF: A. 07 KINGSTON 1247 (141209Z AUG 07) (NOTAL)

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Classified By: Amb. Brenda L. Johnson, Reasons 1.5(b) and (d)

Summary

1.(C) The challenges facing the new Jamaica Labour Party (JLP) Government of Prime Minister (PM) Bruce Golding in the areas of crime, corruption, and the economy were the principal themes of a highly successful visit to Kingston by Deputy Assistant Secretary (DAS) Kirsten D. Madison. Cuba was an unexpected area of interest for Government of Jamaica (GOJ) and private Jamaican interlocutors. End Summary.

A "Treasured Relationship"

2.(C) Deputy Prime Minister and Minister of Foreign Affairs and Foreign Trade Dr. Kenneth Baugh, Under Secretary for Bilateral and Regional Affairs Amb. Paul Robothom, and Director for the Caribbean and the Americas Adele Robinson met with DAS Madison, Ambassador, and DCM at the Ministry of Foreign Affairs and Foreign Trade (MFAFT) on the afternoon of February 27. Baugh began by reiterating the deep roots of Jamaica's "treasured relationship" with the U.S. He noted that, after eighteen years in opposition, the Government of Prime Minister (PM) Bruce Golding's Jamaica Labour Party (JLP) had been in power only six months; now, it had to "catch up," and any assistance from the U.S. would be appreciated.

White House Invitation to PM

3.(C) Ambassador raised the matter of the invitation to the White House recently extended to PM Golding; Baugh maintained that the PM had been unable to accept because during this

time he needed to prepare for a critical upcoming budget debate; large unexpected expenditures and inflation had put the new Government under great pressure. Once the budget was in place, the PM would welcome another opportunity to visit the White House. DAS Madison noted that the President welcomed meetings with heads of state from the Western Hemisphere, viewing them as opportunities to identify those who are like-minded leaders and to establish working partnerships. She said it was unfortunate Golding was unavailable, and that she expected the President would meet with other Caribbean leaders as scheduled; she would convey the PM's interest in visiting at a later date, but noted that only the White House could make decisions regarding invitations.

A More Market- and Business-oriented Government

4.(C) Baugh then observed that, historically, the JLP had enjoyed close ties to the Republican Party in the U.S., recalling the Reagan-Seaga relationship, the intervention in Grenada, and opposition to the Sandinistas in Nicaragua during the 1980s. The new JLP Government was moving to strengthen the weaknesses of the British parliamentary system; Golding was a proponent of the presidential system. His Government was one of "reasonable democracy," supporting openness, liberty, and free markets, and welcoming foreign investment. Economic cooperation and trade were the foremost issue. In today's world, countries traded despite their differences; ideology counted for little, while the economy was critical. Economic growth was essential to reduce Jamaica's alarming crime rate. The four most important areas to the Government were: job creation to transform the economy; education; infrastructure (water, roads); and

housing. Baugh then described the recently concluded Economic Partnership Agreement (EPA) between the EU and CARICOM in positive terms, and reiterated the need to extend the Caribbean Basin Trade Preference Act (CBTPA).

Criminal Deportees

5.(C) Turning to the criminal deportee issue, Baugh observed that many returnees had no family or ties in Jamaica, and nowhere to go. If "all were to come at once, we cannot cope; " assistance was needed with repatriation. DAS Madison said she recognized the domestic political reality, and therefore had been puzzled by the Government of Jamaica (GoJ)'s recent rejection of a pilot repatriation project offered by the U.S. Baugh said the issue had been whether the project should be bilateral or CARICOM-wide. DAS Madison reiterated that Washington's approach always had been country-specific rather than regional, and observed that it was unfortunate, in an instance in which the U.S. had identified resources to assist Jamaica, that a creative solution had not been found. Baugh then observed that 70-80 percent of crime in Jamaica was gang-related; particularly in poor communities, young people were losing their lives at an alarming rate. Jobs were the only solution to crime.

6.(C) DAS Madison then:

- -- outlined the U.S. position on recognition of Kosovo;
- -- noted that, at the UN, the GoJ's record of voting on human rights resolutions had shown no sign of change and that we hoped to be able to work with them to project our shared democratic values into multilateral fora;
- -- reiterated the U.S. hope for a free, democratic Cuba fully integrated in the hemisphere, and asked that the GoJ use its influence to encourage the Cubans in this direction.
- 7.(C) Baugh then recalled that the Seaga Government had expelled the Cuban Ambassador Ulysses Estrada in the 1980s; as Minister of Health, he personally had refused to allow

physicians trained in Cuba to practice until they had obtained Jamaican certifications. Baugh then expressed hope that Latin America and the Caribbean would go the way of the EU with respect to economic integration. Brazil was doing good work in Haiti, and CARICOM was assisting. The GoJ was considering opening a Jamaican Embassy in Haiti; this was a question of competing priorities. Recent transfers of illegal guns and malaria to Jamaica from Haiti were very serious. DAS Madison underscored the USG view that Caribbean engagement of Haiti was important for that country's future and most welcome.

8.(C) Baugh noted with respect to Cuba that the GoJ detected signs of economic reform under Raul Castro, and would continue to push human rights in private discussions with Cuban leaders. DAS Madison observed that Cuba's economic future was a Caribbean future. Baugh said that, when U.S. citizens eventually were allowed to enter Cuba freely, there would be a temporary loss of tourism in the rest of the Caribbean; nevertheless, in the long term this would be helpful. Baugh concluded by reiterating that growing the economy and reducing the debt burden were his Government's first priorities.

The private sector's view: moving in the right direction, but a long way to go

9.(C) Over a private working breakfast on February 28, Vice President of the Private Sector of Jamaica (PSOJ) Earl Jarrett, Chairperson of the Jamaica Chamber of Commerce Mark Myers, and American Chamber of Commerce Chairperson Audrey Marks outlined for DAS Madison, Ambassador, and DCM the more business-friendly, market-oriented direction taken by the

Golding Government. Regulation and red tape were being cut, tax compliance strengthened, the informal economy regularized, and the Jamaican diaspora in North America and the UK engaged to promote growth.

Ambitious Economic Development Agenda

10.(C) In a private meeting with DAS Madison, DCM, and EmbOff, veteran Minister of Industry and Commerce Karl Samuda candidly outlined the challenges facing the new Government. Damage to the agricultural sector from Hurricane Dean, inflation, high oil and commodity prices, the weak U.S. dollar, and the GoJ's heavy debt burden had forced the new Government to delay a number of key programs and initiatives, and to introduce subsidies for five-six basic consumer items. Nevertheless, the Government would cope; he remained upbeat on marketing Jamaica to the world as a product. Samuda then outlined his ambitious plans to attract foreign investment and to establish economic zones similar to those in China. Kingston's waterfront would be renovated as a financial services center and Port Royal would become a major cruise ship destination.

"We plan to be at bat for a long time"

11.(C) In response to DAS Madison's inquiry as to whether the Government's narrow parliamentary majority would pose a constraint, Samuda replied in classic Jamaican fashion: "no problem;" the narrow JLP majority would "keep the party on its toes." He expressed confidence in winning snap elections, should they be called. He then recalled the adage of the great Jamaican cricket batman George Headley: the new government had gotten off the mark slowly because it was in no rush, as it planned to be at bat for a long time. The PM's business-friendly, pro-market orientation eventually would lead the country to prosperity. Agro processing and niche markets were promising. Jamaica needed greater economic engagement with the rest of the hemisphere; Brazil's involvement in ethanol production in Jamaica (reftel A) was an encouraging development, as was its enhanced political

Caribbean Policy Research Institute (CaPRI)

12.(U) In a private meeting at the Embassy, Executive Director Kim-Marie Spence outlined to DAS Madison and EmbOffs the extensive economic and social projects undertaken by CaPRI over the past year, to include studies of Jamaican economic history and of the alternative investment schemes which have become such serious problems for the country (reftel B). DAS Madison expressed appreciation for the work of CaPRI, as an independent research institute, and discussed CaPRI's future plans to use its research to inform parliamentary and other policy discussions.

Luncheon with Jamaican Media Moguls

- 13.(SBU) Ambassador hosted an off-the-record media press luncheon for DAS Madison on February 28 at Ambassador's residence; guests included:
- -- Vernon Davidson, Executive Editor) Publications, Jamaica Observer;
- -- Byron Buckley, Senior Associate Editor, The Gleaner;
- -- Cliff Hughes, Managing Director, Nationwide News Network; -- Kathy Barrett, Head of News, RJR Communications.

The reporters launched immediately into a spirited discussion on Cuba, repeatedly asking why the U.S. will not lift its embargo now that Fidel Castro has stepped down and what has isolation of Cuba done to advance U.S. goals. DAS Madison underscored the USG view that the need for change is not in Washington but in Havana. She noted that changes in U.S.

policy would be driven by change in Cuba and noted that the U.S. has always been fully engaged with civil society in Cuba and is the single largest provider of humanitarian assistance to the island. She also highlighted the USG view that everyone's goal should be the reintegration of a free Cuba into the Americas through a process of peaceful change.

14.(SBU) Hughes then said that there is a feeling that not enough attention is being paid by the U.S. to the region, and that Jamaica is not really important to the U.S. DAS Madison noted that in fact our engagement in the Western Hemisphere has grown, and cited trade, CAFTA, and Haiti. With regard to the Caribbean specifically, the U.S. had made a serious effort to engage in the 2007 Conference on the Caribbean and to address mutual concerns such as security issues. have been difficult points in the relationship (such as Jamaica/Haiti), but the relationship continued to grow. said the U.S. gives great credit to Brazil for rallying the region concerning Haiti at critical times. In response to Barrett's question as to why Haitians who arrive in the U.S. are sent back home while Cubans are not, DAS Madison pointed out that this was a matter of law. Other topics discussed included:

- -- Western Hemisphere Travel Initiative (WHTI);
- -- The prospects for amendment of Jamaica's defamation and Libel Laws;
- -- Human Rights, TIPS, and Religious Freedom reports;
- -- Crime, poverty, and guns smuggled from the U.S.;
- -- the roles of Venezuela, Brazil, Chile, and Jamaica in the region;
- -- vigorous efforts of the new PM to tackle corruption;
- -- future of the opposition People's National Party (PNP);
- -- and the U.S. election campaign.

- 15.(C) DAS Madison met with Commissioner of Police Rear Admiral Hardley Lewin on 28 February. Lewin outlined his plans for transforming the Jamaica Constabulary Force (JCF). Lewin used the four JCF Strategic Priorities (reftel C) as his frame of reference. The JCF's Strategic Review, Lewin said, will be completed within two months. The Commissioner explained that he wants to change the "face of policing, noting that to do so will require the cooperation of the people. He will weed out the JCF and regularly retrain those remaining. Lewin explained that legislation is needed to give the Commissioner greater authority to hire and fire. present, it is extremely difficult to fire a policeman. With respect to monitoring public perception of the success/failure of the JCF to change its image, Lewin advised that the Chamber of Commerce has agreed to fund an initial public survey within each geographic division to establish benchmarks.
- 16.(C) The Commissioner spoke of a number of specific actions he will undertake. One structural change in the force will be to combine the National Intelligence Bureau and Operation Kingfish (NIB-Kingfish). Lewin wants to avoid duplication in collecting and analyzing intelligence and focus on making the responsible entity more efficient. In that regard, those members of the Special Branch (SB) who have the appropriate skills will transfer to NIB-Kingfish. Other members of will be used to provide security protection for foreign and high-level government officials. Lewin said he also needs to create mobile police stations, particularly in rural areas. He wants to see the police equipped with

mace in order to provide a non-lethal alternative in responding enforcement situations. Presently, their only weapon is their side arm. Lewin also noted that Jamaica needs to establish a remote video system to protect the identity of victims or witnesses when they are identifying criminals from a police "line up" or "parade." (Comment: Lewin recently asked NAS to participate with the UK in funding the remote video system.

End Comment.)

PM Golding: Why not end the U.S. embargo of Cuba?

17.(C) Over an extended private breakfast unexpectedly convened by the Prime Minister and held at the GoJ's Vale Royal mansion on February 29, Prime Minister Bruce Golding, Baugh, Robothom, and MFAFT Permanent Secretary Amb. Douglas Saunders outlined their views on Cuba to DAS Madison, Ambassador, and EmbOff. The discussion ranged widely, covering everything from human rights to the embargo. Golding observed that, notwithstanding the country's one-party rule and poor human rights record, the U.S. has established normal relations and enjoyed thriving trade with Vietnam; why was Cuba treated differently? DAS Madison underscored the U.S. desire for genuine democratic reforms, and noted that the focus of the international community should be on developments in Cuba itself, rather than on the pros or cons of U.S. policy. She highlighted the fact that the engagement, both economic and political, by the rest of the world had not, in fact, brought progress to Cuba. She highlighted the commitments made by all countries in the Inter-American Democratic Charter and underscored the USG view that countries in the Americas should use their access and influence in Cuba to encourage the regime take concrete steps like the release of all political prisoners. She underscored the need for such steps so that a process of national dialogue can begin among Cubans, who must be the ones who map a way forward for the country. In this regard, she highlighted the importance of outreach to Cuban civil society to help them play a constructive role in a peaceful process of change.

18.(C) In a private meeting with DAS Madison, DCM, and EmbOff, Ambassador Richard Bernal, Director of the Caribbean Regional Negotiating Machinery (CRNM), outlined the difficulties in advancing the revised Trade and Investment Council/Framework Agreement (TIFA) and highlighted the positive aspects of the Economic Partnership Agreement (EPA) recently concluded between CARICOM and the EU. He opined that the region was not yet ready for a full free trade agreement (FTA) with the U.S.; extension of the Caribbean Basin Trade Promotion Act (CBTPA) must be the first priority. Speaking candidly (protect), Bernal called the CARICOM Secretariat an "impediment" to advancement of the region's

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interests in trade negotiations. Some within CARICOM felt that, with the conclusion of the EPA, the CRNM should be abolished; the Secretary General wanted to see CRNM reabsorbed into the Secretariat.

19.(C) Bernal then observed that many in the Caribbean were innately suspicious of the supposed "neo-imperialist designs" of the Europeans and North Americans; such unrealistic thinking affected Caribbean attitudes toward everything from trade negotiations to shiprider agreements. The U.S. Trade Representative (USTR)'s insistence that the Central American Free Trade Agreement (CAFTA) should be the template for any FTA with the Caribbean had discouraged trade ministers in the region. The U.S. should consider giving separate preferential treatment to the small island states of the Eastern Caribbean; their economies were so small that they could not possibly do any harm to the U.S. Why not give them another 25 years to implement any measures they found difficult?

Minister of National Security

20.(C) DAS Madison called on Minister of National Security Derrick Smith on February 29. Smith explained that while he is relatively new in the job, he nevertheless is quickly gaining the experience to meet the challenges facing his Ministry. He said he has a good team, and particularly singled out the new Commissioner of Police as an excellent choice for that position. The JCF needs wide reformation from the standpoint of corruption and streamlining the organization, he explained, and suggested that some one from outside the organization is better able to make such changes.

Asset Forfeiture

21.(C) The DAS commended the GOJ's anti-corruption efforts, saying she was impressed that the Government has extended its effort to public officials (Reftel D). The Minister advised that legislation was needed to extend penalties to sub-contractors as well. He also underscored the need for an independent investigative capacity. Smith admitted that adequate staffing of key government offices like the Financial Investigations Division and Assets Recovery Agency was critical and it will be a major budget item. Further, on the subject of disposition of proceeds from forfeited assets, Smith said the formula for sharing the money would be 60 percent for "law enforcement" and "40 percent for the general treasury." Of the 60 percent, he went on to say there will be a division along the following lines: 50 percent for law enforcement agencies (MNS), 20 percent for the Ministry of Justice (for prosecutors and judges), and 30 percent for the Asset Recovery Agency (under the Ministry of Finance). Wher asked how this arrangement would be finalized, he explained that it would be done by letter circulated among the Ministries.

Reiterated Request for Helicopter Support for Operation

22.(C) Smith noted that the USG used to provide helicopter support for the Operation Buccaneer cannabis eradication program, and lamented that Jamaica has not had that support for a long time. Ganja (cannabis) cultivation is building up, he said, and getting to it by road is too difficult because it is being grown on remote sites. (Comment: The GOJ makes this request frequently. The helicopters would transport eradication crews to the cannabis fields. Jamaica could use Blackhawks for that purpose. Larger helicopters would cause too much damage to farm buildings and legitimate crops. The small JDF helicopters would carry out a survey to identify cannabis fields just prior to the arrival of any USG transport helicopters. NAS provides transport vehicles, brush cutters, and boots for the Buccaneer program. End Comment.)

Haiti and Guns-for-Ganja Trade

23.(C) DAS Madison explained U.S. interest in partnerships with other countries, like Jamaica, that promote regional objectives. Some discussion of Haiti followed. The DAS told Smith that USG expenditures in Haiti also helped to leverage assistance from other countries. The Minister acknowledged that, if things got straightened out in Haiti, Jamaica would benefit in terms of fighting the "guns for ganja" trade. On that subject, he said the GoJ was getting some intelligence out of Haiti now. DAS Madison suggested that the GOJ also engage the Brazilians, as they are involved fully in security issues in Haiti, which include the newly added maritime focus in the mandate of the United Nations Mission in Haiti.

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